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Leonard K. Peters
Secretary
Energy and Environment Cabinet



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David L. Armstrong
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Vice Chairman

Daniel E. Logsdon, Jr.
Commissioner

September 22, 2015

PARTIES OF RECORD

Re: Case No. 2015-00263

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Staff Attorney, at 502/782-2581.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie Bell to JD".

Jeff Derouen
Executive Director

Enclosures

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2015-00263

FROM: Jonathan Beyer, Staff Attorney

DATE: September 22, 2015

RE: Informal Conference of September 22, 2015

Pursuant to the Commission's September 11, 2015 Order, an informal conference was held in this matter on September 22, 2015. A list of attendees is attached.

Beginning the conference, counsel for East Kentucky Power Cooperative, Inc. ("EKPC") David Samford stated that as a result of the issues resulting in and stemming from Case No. 2013-00291,¹ EKPC has briefed its staff on the issues in the underlying case in an effort to learn from and avoid similar future issues. Mr. Samford asserted that EKPC does not admit that it willfully violated any statute or Commission regulation and noted that the Commission's Order in Case No. 2013-00291 presents several issues for EKPC.

Mr. Samford and Mr. Denver York for EKPC both discussed two perceived repercussions of the Order. First, that it creates a disincentive to working with landowners who request relocation of a transmission line during the planning phase of an upgrade or replacement project. They noted that even if a given relocation is less costly as compared to the existing route, if the movement causes the line to breach the one mile threshold that would trigger the need for a Certificate of Public Convenience and Necessity ("CPCN"), EKPC would be precluded from agreeing to the modification absent procuring a CPCN. Second, Mr. York expressed concern regarding transmission lines built with additional hardware that would later enable a line to potentially operate at a higher voltage and EKPC's ability to continue to make such investments without triggering the CPCN requirement. Mr. Samford and Mr. York stated that such improvements are often done due to the low initial cost and due to engineering and safety concerns.

The parties also discussed the potential resolution of the matters raised in this case and reached a settlement in principle.

Finding that no party had any further questions, the conference was adjourned.

¹ *Harold Barker, Ann Barker and Brooks Barker V. East Kentucky Power Cooperative, Inc.* (Ky. PSC July 6, 2015).

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

EAST KENTUCKY POWER COOPERATIVE,)
INC.)

CASE NO. 2015-00263

_____)
FAILURE TO COMPLY WITH KRS 278.020(2))

September 22, 2015

Please sign in:

NAME

REPRESENTING

Jonathan Bayer

PSC

Patrick Woods

EKPC

Sherman Goodpastor

EKPC

Denver York

EKPC

Allyson Honaker

Goss Samford

David Samford

Goss Samford

JOHN SHUPP

PSC - ENG.

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